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CASE NO. PUR-2021-00261

## ORDER FOR NOTICE AND COMMENT

The Company's SAVE Plan is designed to facilitate the accelerated replacement of SAVE-eligible natural gas infrastructure.<sup>2</sup> The 2022 SAVE Rider is designed to recover eligible infrastructure replacement costs associated with the SAVE Plan.<sup>3</sup> WGL states that the

<sup>1</sup> The Commission approved the Company's amendment and extension of its SAVE Plan in *Application of Washington Gas Light Company, For approval to amend its SAVE plan pursuant to § 56-604 B of the Code of Virginia*, Case No. PUR-2017-00102, 2017 S.C.C. Ann. Rept. 546, Order (Nov. 21, 2012) ("2017 SAVE Order").

<sup>2</sup> Application at 3-5.

<sup>3</sup> *Id.* at 5-6. Under Code § 56-603, "eligible infrastructure replacement" is defined as: natural gas utility facility replacement projects that: (i) enhance safety or reliability by reducing system integrity risks associated with customer outages, corrosion, equipment failures, material failures, or natural forces; (ii) do not increase revenues by directly connecting the infrastructure replacement to new customers; (iii) reduce or have the potential to reduce greenhouse gas emissions; (iv) are commenced on or after January 1, 2010; and (v) are not included in the natural gas utility's rate base in its most recent rate case using the cost of service methodology set forth in § 56-235.2, or the natural gas utility's rate base included in the rate base schedules filed with a performance-based regulation plan authorized by § 56-235.6, if the plan did not include the rate base.

calculation of the revenue requirement and rates associated with the 2022 SAVE Rider consist of two components, the "Current Factor" and the "Reconciliation Factor," which were approved by the Commission in its 2017 SAVE Order.<sup>4</sup> According to the Company, the Current Factor is based on SAVE Plan program expenditures projected for 2022, the final year of the five-year amended SAVE Plan approved in Case No. PUR-2017-00102,<sup>5</sup> and the Reconciliation Factor is computed in accordance with Code § 56-604 E for the twelve-month period ended April 30, 2021.<sup>6</sup>

WGL projects, for calendar year 2022, approximately \$88,000,000 of SAVE Plan distribution system replacement expenditures<sup>7</sup> and approximately \$22,200,000 of SAVE Plan transmission program replacement expenditures.<sup>8</sup> The Company states that, based on its projected SAVE Plan expenditures (January 1, 2022, to December 31, 2022), the eligible infrastructure replacement costs to be included in the SAVE Rider Current Factor will be approximately \$36,147,474.<sup>9</sup> An additional (\$3,669,902) from the SAVE Rider Reconciliation Factor reduces the overall 2022 SAVE Factor revenue requirement to \$32,477,573.<sup>10</sup>

WGL states that the Reconciliation Factor component of the 2022 SAVE Rider compares actual costs incurred and recovered over the period from May 1, 2020, to April 30, 2021, and

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<sup>4</sup> Application at 1; 2017 SAVE Order at 547, 550.

<sup>5</sup> Application at 4-6; 2017 SAVE Order at 546, 549-550.

<sup>6</sup> Application at 1, 6.

<sup>7</sup> *Id.* at 8.

<sup>8</sup> *Id.* at 9.

<sup>9</sup> *Id.* at 7-8 and Schedule 1.

<sup>10</sup> *Id.* at Schedule 1.

that the Company expects an over-collection from the Residential customer, Commercial and Industrial, and Group Metered Apartments classes and an under-collection from the Interruptible customer classes.<sup>11</sup> To correct these over/under collections as well as provide funding for the 2022 SAVE Rider revenue requirement, WGL seeks approval to apply its combined 2022 SAVE Rider rates to meter readings beginning on the first day of February 2022 billing cycle, as a separate line item labeled "All Applicable Riders."<sup>12</sup>

For the typical residential customer, the per therm 2022 SAVE Rider rate will be \$3.65 per month based on residential customer usage of 746 therms of gas annually.<sup>13</sup> This calculation is based on a \$0.0463 per therm Current Factor for January 2022.<sup>14</sup> For the months of February through December 2022, the SAVE Rider will be based on a \$0.0717 per therm Current Factor plus a (\$0.0101) per therm Reconciliation Factor, for a total SAVE Rider of \$0.0616 per therm.<sup>15</sup> The total annualized SAVE Rider for 2022 compared to the 2021 SAVE Rider rate for the same customer represents an increase of \$0.97 per month.<sup>16</sup>

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<sup>11</sup> *Id.* at 10.

<sup>12</sup> *Id.* at 10-11. Due to a Commission order in this proceeding not being expected in time for the January 2022 billing cycle, WGL requests that the Commission allow the Company to continue the 2021 SAVE Rider Current Factors for each customer rate class, as approved by the Commission in Case No. PUR-2020-00171, for the January 2022 billing cycle. *Id.* at 6. See also *Application of Washington Gas Light Company, For approval of the SAVE Rider for 2021*, Case No. PUE-2020-00171, 2020 S.C.C. Ann. Rept. 615, Order Approving SAVE Rider (Dec. 8, 2020).

<sup>13</sup> WGL's November 17, 2021 Supplemental Filing at 1 and Appendix A.

<sup>14</sup> *Id.* at 1. The Company is proposing to continue the 2021 Current Factor, but not the Reconciliation Factor, for January 2022. *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> The 2021 Save Rider is \$0.0431 per therm, or \$2.68 per month, is based on residential customer usage of 746 therms of gas annually.

NOW THE COMMISSION, having considered the Application and applicable law, is of the opinion and finds that this matter should be docketed; that WGL should provide public notice of its Application; that interested persons should be afforded an opportunity to file comments on the Company's Application and request a hearing; and that the Commission Staff ("Staff") should investigate the Application and file a report containing the Staff's findings and recommendations.

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, that could impact the procedures in this proceeding.<sup>17</sup> Consistent with these actions, in regard to the terms of the procedural framework established below, the Commission will, among other things, direct the electronic filing of pleadings herein, unless they contain confidential information, and require electronic service on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

- (1) WGL's Application is docketed as Case No. PUR-2021-00261.
- (2) All pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the

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<sup>17</sup> See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), *extended by* Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), *extended by* Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020).

Commission's Rules of Practice and Procedure ("Rules of Practice").<sup>18</sup> Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.<sup>19</sup> Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

(4) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters that arise during the course of this proceeding.

(5) On or before December 3, 2021, the Company shall cause a copy of the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers

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<sup>18</sup> 5 VAC 5-20-10 *et seq.*

<sup>19</sup> As noted in the Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may be subject to delayed processing due to the COVID-19 public health issues.

of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION  
BY WASHINGTON GAS LIGHT COMPANY,  
FOR APPROVAL OF ITS 2022 SAVE RIDER  
CASE NO. PUR-2021-00261

On October 26, 2021, and November 10, 2021, Washington Gas Light Company ("WGL" or "Company") filed with the State Corporation Commission ("Commission") an application, and errata thereto (collectively "Application") pursuant to Chapter 26 of Title 56 of the Code of Virginia ("Code"), known as the Steps to Advance Virginia's Energy Plan (SAVE) Act. Through the Application, WGL seeks approval of its annual adjustment to its SAVE Plan Rider.

The Company's SAVE Plan, last approved in Commission Case No. PUR-2017-00102, is designed to facilitate the accelerated replacement of SAVE-eligible natural gas infrastructure. The 2022 SAVE Rider is designed to recover eligible infrastructure replacement costs associated with the SAVE Plan. Under Code § 56-603, "eligible infrastructure replacement" is defined as

natural gas utility facility replacement projects that:  
(i) enhance safety or reliability by reducing system integrity risks associated with customer outages, corrosion, equipment failures, material failures, or natural forces; (ii) do not increase revenues by directly connecting the infrastructure replacement to new customers; (iii) reduce or have the potential to reduce greenhouse gas emissions; (iv) are commenced on or after January 1, 2010; and (v) are not included in the natural gas utility's rate base in its most recent rate case using the cost of service methodology set forth in § 56-235.2, or the natural gas utility's rate base included in the rate base schedules filed with a performance-based regulation plan authorized by § 56-235.6, if the plan did not include the rate base.

WGL states that the calculation of the revenue requirement and rates associated with the 2022 SAVE Rider consist of two components, the "Current Factor" and the "Reconciliation Factor," which were approved by the Commission in Case No.

PUR-2017-00102. According to the Company, the Current Factor is based on SAVE Plan program expenditures projected for 2022, the final year of the five-year amended SAVE Plan approved in Case No. PUR-2017-00102, and the Reconciliation Factor is computed in accordance with Code § 56-604 E for the twelve-month period ended April 30, 2021.

WGL projects, for calendar year 2022, approximately \$88,000,000 of SAVE Plan distribution system replacement expenditures and approximately \$22,200,000 of SAVE Plan transmission program replacement expenditures. The Company states that, based on its projected SAVE Plan expenditures (January 1, 2022, to December 31, 2022), the eligible infrastructure replacement costs to be included in the SAVE Rider Current Factor will be approximately \$36,147,474. An additional (\$3,669,902) from the SAVE Rider Reconciliation Factor reduces the overall 2022 SAVE Factor revenue requirement to \$32,477,573.

WGL states that the Reconciliation Factor component of the 2022 SAVE Rider compares actual costs incurred and recovered over the period from May 1, 2020, to April 30, 2021, and that the Company expects an over-collection from the Residential customer, Commercial and Industrial, and Group Metered Apartments classes and an under-collection from the Interruptible customer classes. To correct these over/under collections as well as provide funding for the 2022 SAVE Rider revenue requirement, WGL seeks approval to apply its combined 2022 SAVE Rider rates to meter readings beginning on the first day of February 2022 billing cycle, as a separate line item labeled "All Applicable Riders."

Due to a Commission order in this proceeding not being expected in time for the January 2022 billing cycle, WGL requests that the Commission allow the Company to continue the 2021 SAVE Rider Current Factors for each customer rate class, as approved by the Commission in Case No. PUR-2020-00171, for the January 2022 billing cycle.

For the typical residential customer, the per therm 2022 SAVE Rider rate will be \$3.65 per month based on residential customer usage of 746 therms of gas annually. This calculation is based on a \$0.0463 per therm Current Factor for January 2022. For the months of February through December 2022, the SAVE Rider will be based on a \$0.0717 per therm Current Factor plus a (\$0.0101) per therm Reconciliation Factor or SAVE Rider of

\$0.0616 per therm. The total annualized SAVE Rider for 2022 compared to the 2021 SAVE Rider rate for the same customer represents an increase of \$0.97 per month based on usage of 746 therms of gas annually.

The details of these and other proposals are set forth in the Company's Application. Interested persons are encouraged to review the Company's Application and supporting exhibits for the details of these and other proposals.

The Commission entered an Order for Notice and Comment that, among other things, directed the Company to provide notice to the public and provided interested persons an opportunity to comment on the Company's Application.

The Commission has taken judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission has directed that service on parties and the Commission's Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's Order for Notice and Comment for further instructions concerning Confidential or Extraordinarily Sensitive Information.

An electronic copy of the Application may be viewed on the Commission's website or be obtained, at no charge, by submitting a written request to counsel for the Company: Meera Ahamed, Esquire, Washington Gas Light Company, 1000 Maine Ave., SW, Suite 700, Washington, D.C. 20024, [mahamed@washgas.com](mailto:mahamed@washgas.com).

On or before December 17, 2021, any interested person may submit written comments on the by following the instructions



on the Commission's website:

[scc.virginia.gov/casecomments/Submit-Public-Comments](http://scc.virginia.gov/casecomments/Submit-Public-Comments). Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All such comments shall refer to Case No. PUR-2021-00261.

On or before December 17, 2021, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at [scc.virginia.gov/clk/efiling](http://scc.virginia.gov/clk/efiling). Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2021-00261. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Comment.

On or before December 17, 2021, any interested person or entity may file, with the Clerk of the Commission at [scc.virginia.gov/clk/efiling/](http://scc.virginia.gov/clk/efiling/), a request that the Commission convene a hearing on the Application. Those unable, as a practical matter, to file a request for hearing electronically may file such request for hearing by U.S. mail to the Clerk of the Commission at the address listed above. Requests for a hearing shall refer to Case No. PUR-2021-00261, shall include the email address of the filer or its counsel, if available, and shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter.

A copy of any request for hearing and any notice of participation simultaneously shall be sent to counsel for the Company.

The Company's Application, the Commission's Rules of Practice, and the Commission's Order for Notice and Comment may be viewed at: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

WASHINGTON GAS LIGHT COMPANY

(6) On or before December 3, 2021, WGL shall serve a copy of this Order for Notice and Comment on the following officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.

(7) On or before December 10, 2021, WGL shall file proof of the service required by Ordering Paragraphs (5) and (6) above, including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the State Corporation Commission at [scc.virginia.gov/clk/efiling/](http://scc.virginia.gov/clk/efiling/).

(8) On or before December 17, 2021, any interested person or entity may file written comments on WGL's Application with the Clerk of the Commission by following the instructions on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://scc.virginia.gov/casecomments/Submit-Public-Comments). Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2021-00261.

(9) On or before December 17, 2021, any interested person or entity may participate as a respondent in this proceeding by filing a notice of participation at [scc.virginia.gov/clk/efiling](http://scc.virginia.gov/clk/efiling).

Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel, if available.

Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2021-00261.

(10) On or before December 17, 2021, any interested person or entity may file, with the Clerk of the Commission at: [scc.virginia.gov/clk/efiling/](http://scc.virginia.gov/clk/efiling/), a request that the Commission convene a hearing on the Company's Application. Those unable, as a practical matter, to file a request for hearing electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Requests for hearing must include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All such filings shall refer to Case No. PUR-2021-00261.

(11) A copy of any requests for hearing and notices of participation simultaneously shall be sent to counsel for the Company, Meera Ahamed, Esquire, Washington Gas Light Company, 1000 Maine Ave., SW, Suite 700, Washington, D.C. 20024, or [mahamed@washgas.com](mailto:mahamed@washgas.com).

(12) The Staff shall investigate the Application. On or before December 22, 2021, the Staff shall file with the Clerk of the Commission a Staff Report containing its findings and recommendations and promptly shall serve a copy on counsel to the Company and respondents.

(13) On or before January 5, 2022, WGL may file with the Clerk of the Commission any response in rebuttal to the Staff Report, requests for hearing, and any comments filed by interested persons in this proceeding.

(14) All documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as otherwise modified herein, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice.

(15) The Company shall respond to written interrogatories or requests for the production of documents within four (4) calendar days after the receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.<sup>20</sup> Except as so modified, discovery shall be in accordance with Part IV of the Rules of Practice.

(16) This matter is continued generally pending further order of the Commission.

A COPY hereof shall be sent electronically by the Clerk of the Commission to:

Meera Ahamed, Esquire, Washington Gas Light Company, 1000 Maine Ave., SW, Suite 700,

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<sup>20</sup> The assigned Staff attorney is identified on the Commission's website, [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information), by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2021-00261, in the appropriate box.

Washington, D.C. 20024, [mahamed@washgas.com](mailto:mahamed@washgas.com); and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 N. 9<sup>th</sup> Street, 8th Floor, Richmond, Virginia 23219, [MBrowder@oag.state.va.us](mailto:MBrowder@oag.state.va.us). A copy hereof also shall be delivered to the Commission's Office of General Counsel and Divisions of Public Utility Regulation and Utility Accounting and Finance.